

**MINUTES OF THE  
BUSINESS, ECONOMIC DEVELOPMENT, & LABOR  
APPROPRIATIONS SUBCOMMITTEE**

**Room 210, Senate Building**

February 10, 2012

**Members Present:** Sen. Jerry Stevenson, Senate Chairman  
Rep. Todd Kiser, House Chairman  
Rep. Ryan Wilcox, House Vice Chair  
Sen. Casey Anderson  
Sen. Curtis S. Bramble  
Sen. Gene Davis  
Sen. Ralph Okerlund  
Sen. Stuart C. Reid  
Sen. Stephen H. Urquhart  
Rep. Stewart E. Barlow  
Rep. Brian Doughty  
Rep. James A. Dunnigan  
Rep. Brian King  
Rep. Jeremy Peterson  
Rep. Val Peterson  
Rep. V. Lowry Snow

**Staff Present:** Dr. Andrea Wilko, Chief Economist  
Ms. Rosemary Young, Committee Secretary

Note: A list of visitors and copy of handouts will be filed with committee minutes.

Sen. Stevenson called the meeting to order at 7:02 a.m.

**MOTION:** Sen. Davis moved to approve the minutes of the January 31, 2012 meeting. The motion passed unanimously with Sen. Bramble and Rep. King absent for the vote.

The chair informed the committee that the position of auditor for GOED had been left off the list and that it would be on the list when prioritization begins.

**Department of Insurance**

Dr. Wilko pointed out the fees, federal funds and governor's recommendations from the Budget Brief, also requests for \$100,000 for cost of financial examinations and \$25,000 for employee training for examiners. Further detail may be found in the Budget Brief accessed on line by hyperlinks on the agenda.

Neal Gooch, Commissioner, introduced staff accompanying him: Brett Barrett, Deputy, Doyle Christensen, Budget Director, Tomi Ossana, HIP Utah and Armand Glick, Fraud Division.

Using a handout the commissioner addressed the department's mission and the 58 statutory functions specified in the insurance code and the need for technical people to carry them out. Work done in the past year for health care reform was listed as follows:

- Provide technical assistance and call center support to the Health Care Exchange
- Provide technical assistance to the Health Care Task Force
- Provide technical assistance and support to the Utah Risk Adjuster Board
- Develop and implement a transparency and quality database site for health care report and integration into the Health Care Exchange
- Conduct rate reviews on rate filings to determine whether rates are justified
- Coordinate and monitor independent reviews of appeals from insurer denials
- Participate in Health Exchange plan management with SERFF (NAIC) and CCIIO

The FY 2012 budget showed \$3,900 from General Fund, \$9,808,400 from Restricted Funds, and \$2,061,700 from Federal Funds for a total budget of \$11,874,000. This total does not include the HIP Utah budget. It was explained that the Governor's recommendation of an additional \$1,899,800 in federal funds as found in the Budget Brief is actually divided in two parts: a FY 2012 supplemental of \$784,000 rate review grant Cycle I and a FY 2013 increase of \$1,115,800 rate review grant Cycle II. The fiscal note of \$311,500 on H.B. 29 1st Substitute was explained.

Rep. Kiser explained the additional request for \$100,000 which is paid by insurance companies for the state audit to go back to the Insurance Department rather than the General Fund and \$25,000 for additional training for examiners to keep their licensing. Rep. Dunnigan pointed out that the \$311,500 H.B. 29s1 assessment for fraud is completely offset by increased fees agreed to by the industry. There was discussion about training for examiners which the state pays for and possibly requiring the individual to pay the state back if he is hired away within a designated period of time.

Tomi Ossana, HIP Utah Executive Director, with slides and a handout explained that HIP Utah is a state-subsidized, high-risk health insurance pool begun in September 1991 which currently provides coverage for approximately 3,700 persons whose medical conditions would otherwise make them uninsurable. Three roles the program plays are: making it possible for otherwise uninsurable individuals to purchase insurance thus allowing the state to require the insurance market to take all others; satisfying a federal requirement arising from the HIPAA Act of 1996; and helping improve price stability in the individual and small group insurance markets. Accomplishments noted were: approximate \$500,000 negotiated administrative savings with SelectHealth, 5 % increase in premiums for FY 2012, 1,000 enrollees given premium assistance through a federal grant, and continued savings through 340B pharmacy pricing through a University of Utah Pharmacy contract. The HIP Utah program is the insurance of last resort, and the Director requests that the committee make no further cuts to the base budget.

### **Requests for Appropriation**

Rep. Dunnigan distributed a handout and requested \$15,000 to provide a free Utah Symphony concert with cannons in the park. The funds will be used for staging, outdoor canopy, sound system, the Cannoneers' fee and other logistical support.

Rep. Nielson, accompanied by Tom Hardy, retiring Bountiful City Manager, using a handout presented a request for \$100,000 for an elevator as part of the Bountiful Art and History Center renovation and expansion.

Jim Davis and Soren Simonsen made a request for \$250,000 for the Baron Woolen Mill and Merrell Planing Mill which are historic facilities used as cooperatives in the early days of Brigham City. A 501C3 has been formed as an economic development project for an artisan and craft center and a business incubation center.

Bonnie Pitblado with a handout made a request for \$1M one time for the USU Museum of Anthropology which has already received a National Endowment for the Humanities challenge grant. The plan is to move the museum from its present location in the Old Main to another historic building once called The Art Barn, now called The Aggie Barn.

Tim Brown, director of Tracy Aviary which is the oldest and largest aviary in the country, is requesting \$150,000 one time to make it possible to bring 27,000 students to the Aviary on field trips.

Bruce Adams, San Juan County Commission Chair, distributed a handout and introduced Janet Ross, director of Four Corners School of Outdoor Education, and requested \$1M for the Canyon Country Discovery Center located in Monticello. The severe unemployment and poverty issues present in San Juan County were pointed out along with the hoped for economic development opportunities of this project.

Johann Jacobs, Ballet West Executive Director, and Denise Begay requested a \$2M one time appropriation for The Capitol Theatre Project and pointed out that this is a time-sensitive issue as they are applying for federal new-market tax credits with the deadline of April 1. The most extensive portion of the Project calls for the new Jessie Eccles Quinney Center for Dance to be built directly west of the existing Capitol Theatre.

Robert Brough and Roger Henriksen, Hale Center Theatre Board, with a handout presented a request for \$5M as seed money for purposes of expansion. The estimated total cost is \$50M.

Melanie Marsh, American Fork Arts Council, using a handout made the request for \$163,700 for purposes of American Fork Amphitheater improvements including paving 2 parking lots, lighting, installing a sewer line, and constructing a restroom facility.

Sean Fyfe, Salt Lake City Corporation architect, distributed a handout explaining the request for \$543,637 for purposes of structural stabilization and seismic upgrade of the Albert Fisher Mansion, a Utah Historic Site since 1975.

Dennis Hassan requested \$906,900 for purposes of updating the lighting system of the Caine Lyric Theatre in Logan, a facility which is also used by Utah State University.

Lynn Stevens distributed a handout describing the Bluff Fort Co-op Store project which will tell the story of the Hole in the Rock Pioneers and early history of Bluff. The Hole in the Rock Foundation is requesting \$125,000 for restoration of the old Co-op Store. Assisting Mr. Stevens were Grant Taylor and Gay Taylor Jones.

Dustin Fife and Georgiana Simpson requested \$712,300 for updating the San Juan County Library.

John Sutherland presented the request for \$2.5M for the Engineering Initiative aimed at producing 150 additional engineering graduates every year to fill the gap between available jobs and qualified individuals to fill them. Several individuals from Utah companies supporting this request introduced themselves. Jason Dunn with IM Flash, Randy Sylvester with L3 Communications, and Dean Richard Brown from the University of Utah reinforced the reasons for desiring Utah to produce needed engineers.

Jim Davis with Jeffrey Hatch and Soren Simonsen presented a request for \$500,000 to update the Pioneer Craft House in Salt Lake City and pointed out that the money can be used in increments.

Leila Andrews, Director of Helper City Library, requested \$16,500 to be used for necessary improvements to make the library more functional.

Sen. Niederhauser, assisted by Jeff Robbins, CEO of the Utah Sports Commission, requested a supplemental appropriation of \$500,000 for FY 2012, \$600,000 one time for FY 2013, and \$500,000 on going. A handout was distributed and the return on investment was pointed out.

Seth Jarvis, Clark Planetarium Director, distributed a handout and with the help of Holly Lamb from ATK, Sterling Poulson, KUTV Meteorologist, and former senator and astronaut Jake Garn, presented the request of a one-time appropriation of \$1.5M for upgrade and modernization and overhaul of the exhibits.

Fred Adams, founder of the Utah Shakespeare Festival, and Jeff Edwards, CEO of Economic Development Corporation of Utah, with a handout presented the request for a \$5M one-time appropriation and outlined the economic development impact of the festival. A slide presentation showed the anticipated new theatre.

Rep. Vickers and Martin Tyner, founder and CEO, presented the request for \$500,000 for the Southwest Wildlife Foundation for a 2,000 square foot building including support facilities for the first phase visitor's center/nature park project. Through a handout the work of the foundation, namely rescuing sick, injured, and orphaned wildlife and providing outreach programs to schools and scouts was enumerated.

Bill Matthews, Director Southwest Regional Computer Crime Institute of Dixie College, submitted a request of one-time funding of \$385,000 for ongoing support, development and marketing of a new cell phone examination process known as "chip-off" forensics. Through a handout the work of the institute was explained.

Sen Davis explained The Draw in Sugarhouse as part of Parley's Rails Trails and Tunnels Coalition. Juan Arce-Larreta and Emy Maloutas helped explain the community safety aspect and the scope of the whole project. The project is requesting a \$150,000 one-time appropriation.

Mary Ann Kirk distributed a handout and explained the request for \$5M for the Regional Performing Arts Center in Murray, Utah which will be a mixed use facility focused on providing year round dependable and affordable rehearsal, performance, and exhibition space for amateur art organizations while incorporating a multi-use space for a variety of community organizations throughout the Salt Lake Valley.

Alexandra Hesse, Executive Director of The Leonardo, and Nick Gibbs, board president, requested a one-time appropriation of \$500,000 to fund an exhibit in the innovation gallery. Engaging students of all ages in science and technology is a paramount interest. A handout was distributed.

Sen. Stevenson discussed the Hill Air Force Base show and the request for \$150,000.

The form of the prioritization list was discussed.

**MOTION:** Rep. Wilcox moved to adjourn. The motion passed unanimously with Sen. Bramble, Sen. Okerlund, and Rep. King absent for the vote.

Sen. Stevenson adjourned the meeting at 9:55 a.m.

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Sen. Jerry Stevenson, Chair

Rep. Todd Kiser, Chair